

# SENATE BILL REPORT

## SHB 1953

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As Reported By Senate Committee On:  
Financial Institutions & Insurance, March 27, 2007

**Title:** An act relating to premium reductions for older insureds completing an accident prevention course.

**Brief Description:** Requiring premium reductions for older insureds completing an accident prevention course.

**Sponsors:** House Committee on Insurance, Financial Services & Consumer Protection (originally sponsored by Representatives Wood, Buri, Wallace, Rodne, Schindler, Ahern, Morrell and Ormsby).

**Brief History:** Passed House: 2/28/07, 97-0.

**Committee Activity:** Financial Institutions & Insurance: 3/20/07, 3/27/07 [DP].

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

**Majority Report:** Do pass.

Signed by Senators Berkey, Chair; Hobbs, Vice Chair; Franklin, Hatfield, Parlette and Schoesler.

**Staff:** Vanessa Firnhaber-Baker (786-7471)

**Background:** The Office of the Insurance Commissioner (OIC) oversees the insurance industry in this state. Automobile insurance policies and rates are submitted to the OIC for approval. Automobile insurance rates filed with the OIC must provide for an appropriate reduction in premiums for a two-year period for insured drivers who:

- are 55 years of age and older; and
- successfully completed a motor vehicle accident prevention course meeting the criteria of the Department of Licensing (DOL).

The rating discount does not apply to underinsured motorist coverage.

A course must be a minimum of eight hours. It may be for additional hours as determined by rule by the DOL. The course must be offered in a classroom by a public or a private agency approved by the DOL. In areas where a classroom course is not offered, an eight-hour program-learning self-instruction course must be made available. The self-instruction course may only be conducted by a public or private agency approved by the DOL to offer a classroom course.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Upon completion of a course, a participant must be issued a certificate that is the basis for qualifying for the premium discount. A driver may take a course every two years to maintain the discount.

**Summary of Substitute Bill:** An eight-hour course meeting the criteria of the DOL may be offered via an alternative delivery method of instruction. An alternative delivery method of instruction may include internet, video, or other technology-based delivery methods.

An agency seeking approval from the DOL to offer an alternative delivery method course of instruction is not required to conduct classroom courses.

An alternative delivery method course of instruction is not limited to areas where a classroom course is not offered.

The DOL may adopt rules to ensure that drivers take and complete courses delivered by alternative methods.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This bill is simple and straightforward. It makes these classes more convenient for older drivers, especially rural residents. Accident prevention classes increase drivers' skills and reduce the number of accidents. There was a concern in the House that there was no way to verify that the person signing up for the class is actually the person who took the class; however, this concern has been addressed by giving DOL authority to verify the identity of persons who take the classes.

**Persons Testifying:** PRO: Dave Overstreet, AAA Washington.